

# **FEDTAX II and Government-Wide Accounting**

**Tuesday, August 12, 2003**

**What is FEDTAX II?**

## ***What is FEDTAX II?***

- **Federal Agency Tax Deposit System**
- **Commissioned by both FMS and IRS**
- **Launched in 1998**
- **Automates the transfer of federal agency tax payments and Form 941, *Employer's Quarterly Federal Tax Return***
- **Ensures agency compliance with tax rules and laws**

**Why use FEDTAX II?**

## ***Why use FEDTAX II?***

- **Eliminates the need for agencies to submit Standard Form 1166, *Voucher and Schedule of Payments* and the supporting Form 8109, *Federal Deposit Coupon* (FTD)**
- **Reduces paperwork, eliminates errors, and promotes the timely submission of data to and from agencies**

# **FEDTAX II functionality**

## ***FedTax II allows agencies to...***

- **Make their federal tax payments electronically**
- **Record federal payroll taxes and associated wages for Form 941 and Form CT-1, *Employer's Annual Railroad Retirement Tax Return***
- **Monitor the due dates of tax payments**
- **Authorize payments for timely delivery**

## ***FedTax II also allows agencies to...***

- **Review and authorize the electronic filing of Form 941**
- **Print and manually file Form CT-1 and Form 945, *Annual Return of Withheld Federal Income Tax***
- **Pay 720 (*Quarterly Federal Excise*) and 1042 (*Annual Withholding for U.S. Source Income of Foreign Persons*) taxes**



# ***FEDTAX II migration***

## ***FedTax II migration***

- **FEDTAX II currently resides on a platform administered by a financial institution**
- **Due to security and cost concerns, Treasury is looking to stem the proliferation of its systems and bring as many of them “in-house” as possible**
- **FEDTAX II will be moving from its current platform to Pay.gov on the Treasury Web Application Infrastructure (TWAI)**
- **Migration scheduled for completion in 2004**

# ***GWA and FEDTAX II***

## ***GWA objectives***

- **Increase timeliness and accuracy of central accounting**
- **Eliminate agencies' monthly reporting, reconciliation, and Statements of Differences**
- **Classify transactions to Treasury Account Symbol-Business Event Type Code (TAS-BETC) as early as possible**

## ***GWA strategy for FEDTAX II***

- **FEDTAX II will continue to report by Tax Class in existing SF 215 A formats into CA\$HLINK II.**
- **FMS will build a Shared Accounting Module to translate Tax Class on the 215 A to TAS-BETC combinations**
- **Shared Accounting Module will send TAS-BETC information to GWA**

***Questions?***

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